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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: New York City Off-Track Betting Corporation, Debtor,	Case No. 09-17121(mg) Chapter 9
LILLIAN ROBERTS, as Executive Director of District Council 37, American Federation of State, County and Municipal Employees, AFL-CIO, DISTRICT COUNCIL 37, AFSCME, AFL-CIO, LEONARD ALLEN, as President of Local 2021 of District Council 37, AFSCME, AFL-CIO and individually, PAULETTE SHER, as Vice President of Local 2021 of District Council 37, AFSCME, AFL-CIO and individually, Local 2021 of District Council 37, AFSCME, AFL-CIO, and LARRY LIEBOWITZ, BRIAN MATARRESE, LILLIAN SANTOS, WILLIAM LARRY WALKER, LILLIAN ROBERTS, as Chair of DC 37 BENEFITS FUND TRUST and DC 37 BENEFITS FUND TRUST, Plaintiffs, -against- DAVID A. PATERSON, as Governor of the State of New York, THE STATE OF NEW YORK, MICHAEL BLOOMBERG, as Mayor of the City of New York, and THE CITY OF NEW YORK, Defendants.	Adversary Proceeding No. **ORDER TO SHOW CAUSE**

ORDER TO SHOW CAUSE WHY (1) THE TEMPORARY RESTRAINING ORDER ENTERED BY THE NEW YORK STATE SUPREME COURT SHOULD NOT BE VACATED OR ALTERNATIVELY, WHY PLAINTIFFS SHOULD NOT BE REQUIRED TO POST A BOND TO SECURE DEFENDANTS FOR COSTS CERTAIN TO BE INCURRED DURING THE PENDENCY OF THIS PROCEEDING; AND (2) DEBTOR NEW YORK CITY OFF-TRACK BETTING CORPORATION SHOULD NOT BE ADDED AS A NEW PARTY TO THIS PROCEEDING; AND (3) THE AFFIRMATION OF JANICE L. BIRNBAUM IN OPPOSITION TO PLAINTIFF'S MOTION FOR INJUNCTIVE RELIEF, DATED DECEMBER 23, 2010, SHOULD NOT BE CONSIDERED PART OF THE REMOVED ACTION.

Upon reading the annexed Declaration in Support of Motion and of Emergency by Janice Birnbaum, dated December 29, 2010, and the exhibits annexed thereto ("Birnbaum Declaration"), submitted on behalf of Defendants City of New York and Michael Bloomberg, as Mayor of the City of New York ("City Defendants"), and upon the annexed Affirmation of Janice L. Birnbaum in Opposition to Plaintiffs' Motion for Injunctive Relief dated December 23, 2010, and the exhibits annexed thereto, which City Defendants did not have the opportunity to submit in the above-captioned action when it was pending in the New York State Supreme Court and which has been removed to the United States District Court for the Southern District of New York and then to this Court, by which City Defendants would have filed written opposition to the temporary restraining order issued by the New York State Supreme Court on December 27, 2010 ("TRO"), and upon the Notice of Removal filed December 27, 2010, and the exhibits annexed thereto, and pursuant to Bankruptcy Rules 7065, 9013, and 9027 governing injunctions in adversary proceedings, bankruptcy motion practice and removal to Bankruptcy Court, and after due deliberation and good cause having been shown, it is:

ORDERED that all parties are directed to appear before the Hon. Arthur J. Gonzalez, Chief United States Bankruptcy Judge in Room 523 of the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, NY 10004, on

December 30, 2010, at 2:00 p.m., or as soon thereafter as counsel may be heard, to show cause why an order should not be made herein:

1. Vacating the TRO issued on December 27, 2010; or alternatively

2. Ordering Plaintiffs and/or the State of New York to post a bond in the amount of $1,064,000 pending a hearing on this matter; and

3. Adding Debtor New York City Off-Track Betting Corporation (the "Debtor" or "OTB") as a new party to this proceeding pursuant to Bankruptcy Rule 9027(e); and

4. Pursuant to Bankruptcy Rule 9027(g) and the rules of Part VII, deeming Janice Birnbaum 's affirmation in opposition to the TRO, dated December 23, 2010, a part of the removed action; and

5. Ordering such other and further relief as the Court deems just and proper, and it is further

ORDERED that service on all parties to this matter of a copy of this Order to Show Cause and the papers upon which it is based may be made upon:

1. Defendants David Paterson, Governor of the State of New York, and the State of New York, at the Office of the New York State Attorney General, 120 Broadway, New York, NY 10271 (attn: Scott Spiegelman, Esq., Assistant Attorney General;

2. Plaintiffs at the office of their counsel, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, NY (attn: Dina Kolker, Esq.);

3. OTB at the office of its counsel, Cravath Swaine & Moore LLP, 825 Eighth Avenue, New York, NY 10019 (attn: Richard Levin, Esq.); and

4. The Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, NY 10004 (attn: Andrew Velez-Rivera, Esq.)

on or before 5:00 p.m. on the 29th day of December 2010, and that such method of service shall be deemed good and sufficient service thereof; and it is further

ORDERED that papers in response to the relief requested herein, if any, shall be personally served on the Law Department of the City of New York, 100 Church Street, New York, NY 10007 (attn: Andrew Lipkin, Senior Counsel), on or before 11:00 a.m. on the 30th day of December 2010 and may be served by email at alipkin@law.nyc.gov.; and it is further

ORDERED that papers in response to the relief requested herein, if any, shall also be filed with the United States Bankruptcy Court for the Southern District of New York and served upon the noticed parties on or before 11:00 a.m. on the 30th day of December 2010.

Dated: New York, New York
December 29, 2010

s/Arthur J. Gonzalez
Chief United States Bankruptcy Judge